

**Clear Lake/Clearwater Sewer Authority**  
**Regular Meeting Minutes**  
**Zoom Web Conference**  
**April 15, 2021**

**CALL TO ORDER**

Chair Goenner called the meeting to order at 5:34 p.m. via Zoom Web Conference.

**ROLL CALL**

- Present: Chair Goenner, Vice-Chair Lawrence, Members White, Petty, and Ranum.
- Absent: None.
- Staff Present: Director Smythe, Chief Operator Strande, Operator Forsell.
- A quorum was declared present.
- Several guests were also present.

**1. APPROVAL OF AGENDA**

**MOTION** by Lawrence to approve agenda as presented, seconded by Petty, all voted aye. **MOTION CARRIED.**

**2. PUBLIC FORUM**

**a. 2020 Annual Audit Report – Janel Bitzan**

Janel Bitzan from Bergan KDV provided an overview of the annual audit. Member Petty questioned if the costs for the new building are in the regular expenditures. Ms. Bitzan explained that those costs are in the capital items.

**MOTION** by Lawrence to accept the annual audit, seconded by White, all voted aye. **MOTION CARRIED.**

**b. Ideal Energies – Rich Ragatz**

Rich Ragatz and Chris Psihos from Ideal Energies came back to renew their request to proceed with a solar construction project. Members asked what is different now, as the Board deemed it too cumbersome of a project previously and were concerned about costs. Authority Attorney Dave Anderson also pointed out that we would need the state MMB to release the deed restriction, which was previously discussed. Ideal Energies stated they would cover all costs, including subdivision, except for staff costs. The property would need to be subdivided and sold for fair market value, which would require an appraisal. Smythe pointed out both cities would have to agree to sell. Chair Goenner asked if they would attend meetings at the two cities to outline their proposal. Mr. Psihos stated they would. Mr. Anderson suggested there should be a preliminary agreement, as there are a lot of uncertainties to address. The first step is to see if the two cities will agree to subdivide and sell property.

**3. CONSENT AGENDA**

**a. Approval of Claims/Accounts Payable for January 2021**

**b. Approval of Claims/Accounts Payable for February 2021**

**c. Approval of Minutes from February 18, 2021 Regular Meeting**

**MOTION** to approve the Consent Agenda as presented was made by Lawrence, seconded by Ranum, all voted aye. **MOTION CARRIED.**

#### **4. OLD BUSINESS**

##### **a. Consider Solar Subscription Agreement**

- Anderson provided an overview of the solar subscription agreement. The agreement is to subscribe to an outside solar garden at no cost to the Sewer Authority. The garden generates energy credits towards the electric bill. The Authority would not own or operate the garden. It is a 25 year contract.

**MOTION** by Lawrence to approve, seconded by Petty, all voted aye. **MOTION CARRIED.**

- Following approval, Mr. Psihos stated that the Board would need to hold back some electric usage for Ideal Energies' proposed project. If all available energy is allocated to the subscription agreement, then the other project would not be feasible. Anderson stated the agreement uses 800 kwh/annually, but he does not know what percentage of our total use that would be. Smythe stated that the Board was previously told by the two solar companies that all three projects would be possible. Member White stated she would prefer we move forward with the solar subscription.
- Mr. Ragatz asked Mr. Kampmeyer (IPS Solar) if he had concerns about both projects moving forward. He stated that he did not, but that his company would also be interested in purchasing property at fair market value for construction. Anderson stated that it is not helpful to the Board for the competitors to be voicing their ideas. The Board needs to either move forward with the agreement that was just approved or rescind it to explore other options in more detail.
- Member Petty asked if Anderson could address the other proposals. Anderson stated he was not prepared to do that tonight; that is not what he was asked to prepare by the Board. Lawrence noted that we can still do the subscription agreement and not the other two. Petty stated he would prefer to rescind and do further research. Smythe stated that the Board can move forward with the subscription agreement on its own, but the other two proposals require approval of the two cities. Petty asked if the two companies can provide a cost/benefit analysis.
- Anderson pointed out that prior to this meeting, the Board had decided not to do the other two proposals. The agreement presented tonight was drafted as the only project on the table. The Board is now looking at going in a different direction, which would change the agreement as drafted.

**MOTION** by Petty to rescind the approval of the subscription agreement, seconded by Ranum. Voting aye – Petty, Ranum, White, and Goenner. Voting nay – Lawrence. **MOTION CARRIED 4-1.**

##### **b. Revisit Renewal of Director Contract**

Smythe gave an overview of the cost history and the amended proposal. Members debated the costs and hours for Director services provided by the City of Clearwater. Members still disagree about how the costs are being calculated and whether or not hours should be tied to costs.

**MOTION** by Lawrence to accept the contract as proposed, seconded by Petty. Voting aye – Lawrence, Petty, and Ranum. Voting nay – Goenner and White. **MOTION CARRIED 3-2.**

##### **c. Authorize Hire of Plant Operator**

Smythe gave an overview of the applicants and the hiring process. Staff are planning to interview two finalists and are requesting authorization to hire someone at a salary within steps 1-3. Members debated the position and the start date. There was concern about having a 6-month overlap with Tony's position, since the costs were not budgeted. Tony again explained the job market and concerns about how long it may take to hire.

**MOTION** by Goenner to conduct interviews and bring back a recommendation to the June meeting to hire someone with a July 1 start date. Motion seconded by Petty. Following more discussion, all members voted nay. **MOTION FAILS.**

**MOTION** by White to authorize staff to hire someone with a salary up to step 3 and a June 1 hire date. If negotiations exceed step 3, must bring back to the Board. Chair Goenner to sit in on the interviews. Motion seconded by Ranum, all voted aye. **MOTION CARRIED.**

**5. NEW BUSINESS**

**a. Revisit Shop Building Costs – Updated Quotes**

Strande explained two price quotes for additional costs to finish the new shop building. There were questions about the budget. Strande stated these costs were in the capital budget. It appears that the project was removed by mistake after Kevin left, as the interim staff were not aware of the project.

**MOTION** by Lawrence to approve the additional costs as presented, \$18,100 for approaches and \$6,484 for doors, seconded by Ranum, all voted aye. **MOTION CARRIED.**

**b. Tanks Project Rental Costs**

Chair Goenner requested the Board reconsider the request from Universal Steel to cover the rental costs for the forklift. He states that this is a local business that we work with regularly and it is only fair to compensate them for their costs. Members revisited the earlier concerns that the extra rental costs were not in the original bid and were not authorized by the Board prior to incurring the costs. Representative Tim from UPI stated that his company assisted with outbound freight and another breakdown at no cost. They didn't question things, just jumped in to assist when Tony (Strande) asked. He states he had a verbal agreement with Tony. Members reiterated that Tony does not have authority to enter into agreements and that the request should have come to the Board. Members would prefer to see an invoice for the installation and freight costs incurred. UPI should submit an invoice to the Director for the next meeting.

**c. Other Business**

None.

**6. REPORTS**

None.

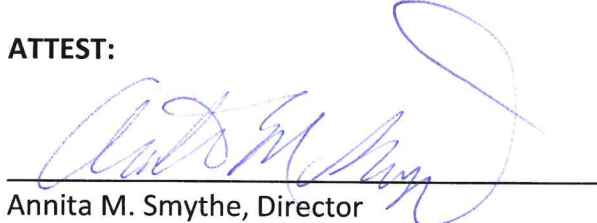
**7. NEXT MEETING DATE – JUNE 17, 2021 at 5:30 PM**

Next meeting will be June 17, 2021 at 5:30 p.m. Location TBD by Chair.

**8. ADJOURN**

**MOTION** to adjourn by White, seconded by Petty, all voted aye. Meeting adjourned at 8:00 p.m.

**ATTEST:**

  
Annita M. Smythe, Director

**APPROVED:**

  
Tim Goenner, Chair